



Center for Medicaid and State Operations
Disabled and Elderly Health Programs Group

Ticket to Work and Work Incentives Improvement Act Fact Sheet

Passage of this law marks the most significant advancement for people with disabilities since enactment of the Americans with Disabilities Act. This landmark legislation modernizes the employment services system for people with disabilities and makes it possible for millions of Americans with disabilities to join the workforce without fear of losing their Medicare and Medicaid coverage.

States, advocacy groups and consumers should be aware of the following:

The TWWIA provides:

- Improved access to employment training and placement services for people with disabilities who want to work (administered by the Social Security Administration). For more information about the Ticket to Work and Self-Sufficiency Program see the [SSA Website](http://www.ssa.gov/work) (www.ssa.gov/work).
- Increased opportunities for States to limit barriers to employment for people with disabilities by improving access to health care coverage available under Medicare and Medicaid (administered by the Department of Health and Human Services, Health Care Financing Administration (HCFA)).

Expanded Availability of Health Care Services for Workers with Disabilities

- Title II of TWWIA governs the provision of health care services to disabled workers.
- Effective October 1, 2000, Title II provides new optional eligibility groups by creating two new eligibility categories, extends the period of premium free Medicare Part A coverage and requires consumer protection for some individuals with Medigap coverage.

Two New Medicaid Eligibility Groups

(1) Basic Coverage Group. States have the option to offer Medicaid to working individuals at least 16 but less than 65 years of age who, except for their income and resource levels, are eligible to receive SSI. States are free to establish their own income and resource standards. Individuals who have never received SSI benefits can be eligible.

(2) Medical Improvement Group. States have the option to offer Medicaid to employed individuals with a medically improved disability who lose Medicaid eligibility under the group described above because they no longer meet the SSI definition of disability.

- States offering coverage to the second group must also cover the first group.
- States may impose premiums or other cost-sharing charges on a sliding scale based on income for individuals eligible for either of the new eligibility groups.

Extended Period of Medicare Coverage

- TWWIA extends to 8 ½ years premium free Medicare Part A coverage to SSDI beneficiaries who lose cash assistance because they return to work.

Medigap Coverage Protections

- TWWIA requires, at a policyholders request, suspension of Medigap coverage and premiums for those entitled to Medicare Part A, if the disabled individual is covered under certain group health plans. TWWIA also requires reinstatement of a Medigap policy if group coverage is lost provided that the policyholder gives notice of loss of employer coverage within 90 days.

Establishment of Two New Fully Funded Grant Programs

Beginning October 1, 2000, qualifying States were eligible to receive monies under two grant programs designed to support working individuals with disabilities. The first round of grants were awarded on October 25, 2000. A second round of the Demonstration to Maintain Independence and Employment Grant was announced on October 26, 2000 and applications are due April 30, 2001. It is anticipated that there will be a second Medicaid Infrastructure Grant Program solicitation in calendar year 2001.

Medicaid Infrastructure Grant Program

- \$150 million available over the first five years for States to design, establish and operate health care delivery systems that support the employment of individuals with disabilities.
- States cannot use infrastructure grant funds to provide direct services to individuals with disabilities. To be eligible, States must provide personal assistance services under the Medicaid program sufficient to support the competitive employment of disabled individuals.

Medicaid Demonstration to Increase Independence and Employment

- Funded at \$250 million over six years. Under the demonstration, States can provide Medicaid services to workers with potentially severe impairments that are likely to lead to blindness or disability. This demonstration gives States the opportunity to

evaluate whether providing these workers with early access to Medicaid services delays the progression to actual disability.

- States define the number of individuals with potentially severe disabilities that they decide to cover, and which potentially severe impairments they will target.